

an electronic newsletter from the Affirmative Civil Enforcement (ACE) unit, Civil Division, sent to its client agencies regarding significant activities, initiatives, information, and developments on major ACE issues

March 2004

THIS ISSUE IS DEVOTED TO THE AGENCY PERSPECTIVE Discussing affirmative actions initiated by agencies to recover funds due to the United States

RONALD J. TENPAS CONFIRMED AS UNITED STATES ATTORNEY



Ronald J. Tenpas was sworn in as the United States Attorney for the Southern District of Illinois on March 12, 2004. Tenpas was appointed as the interim United States Attorney on November 13, 2003.

Tenpas previously served as an Assistant United States Attorney and Branch Chief in the District of Maryland, Southern Division, and prior to that as an Assistant United States Attorney in the Middle District of Florida in Tampa, Florida. He has tried and investigated a large number of cases, including offenses involving narcotics importation and distribution, violent crime, health care fraud, identity theft, government fraud, other white collar offenses, and public corruption.

From 1990-1991, Tenpas served as a law clerk to the Honorable Louis H. Pollak, United States District Court Judge for the Eastern District of Pennsylvania. From 1991-1992, Tenpas served as a law clerk to Chief Justice William H.

Rehnquist, United States Supreme Court. From 1992-1993, Tenpas served as a law clerk to the Honorable Howard Holtzmann, judge on the Iran-U.S. Claims Tribunal located in The Hague, The Netherlands. From 1993-1997, Tenpas was an associate with the Carlton, Fields law firm in Tampa, Florida.

Tenpas graduated from Michigan State University with high honors in International Relations in 1985. He was awarded a Rhodes Scholarship to attend Oxford University where he studied Philosophy, Politics and Economics, receiving a degree in 1987. After Oxford, Tenpas was awarded a Hardy Cross Dillard Scholarship to attend the University of Virginia Law School from which he graduated in 1990. He served as Editor-in-Chief of the Virginia Law Review, was elected to Order of the Coif, and at graduation was awarded the Margaret Hyde Award, presented to the graduate whose scholarship, character, personality, activities in the affairs of the school, and promise of efficiency have, in the opinion of the law faculty, entitled him or her to special recognition.

LEC RON SHOWNES WINS LAW ENFORCEMENT PRESIDENTIAL AWARD

Assists in ACE Training

Ron Shownes, the Law Enforcement Coordinator (LEC) for the Southern District of Illinois, was recently awarded the Southwestern Illinois Law Enforcement Presidential Award. He was given this prestigious award at the Southwestern Illinois Law Enforcement Commission and the Southern Illinois Police Chiefs' Association Annual Awards Banquet held on January 14, 2004.



The award was for spending countless hours assessing the needs of law enforcement and helping to develop resources and coordinating efforts of

local, state, and federal law enforcement agencies.

He has expanded those efforts by reaching out to law enforcement communities to inform them how the use of ACE can bring about effective law enforcement remedies with regard to white collar He has made presentations and fraud cases. distributed supportive information to the investigators and detectives attending the Criminal Intelligence Exchange sponsored by the Gateway Information Sharing Center, a 40-hour basic investigator course certified by the Police Training Board, and has made ACE part of his identity crimes training which he presents to sheriffs, chiefs of police, and law enforcement groups in the Central and Southern Districts of Illinois. Shownes can be reach at (618)628-3700.

Shownes has been the Law Enforcement Coordinator for the Southern District of Illinois for

over three years. He is a Marine Corps veteran, having served from 1963 to 1966. He has a Bachelors of Science degree in the Administration of Justice, is a graduate of the Northwestern University Traffic Institute Executive Management Program, and has a Master's Degree in Human Resource He has 37 years of law Development. enforcement experience and spent 23 years as a police officer, investigator, watch commander, identification expert, Major Case Squad investigator, and Special Agent. He also has 12 years as an instructor and director of training for the Southwestern Illinois Law Enforcement Commission.



ILLINOIS'S MEDICAID FRAUD CONTROL UNIT

By Special Agent Pat Corcoran Illinois State Police

Illinois's Medicaid Fraud Control Unit (MFCU) is a federal grant-funded bureau within the Illinois State Police. The MFCU provides law enforcement and related services to a distinct community, namely Medicaid recipients, and providers. The federal government has given the MFCU two mandates. The first mandate, as the name suggests, is to curtail fraud in the Medicaid program. The second mandate is to curtail abuse and neglect in facilities that receive Medicaid funds.

The grant limits fraud investigations to fraud perpetrated by providers. Consequently, the MFCU does not investigate whether recipients are wrongfully receiving Medicaid benefits. MFCU agents investigate cases that

lead to criminal sanctions and civil monetary recoveries. The grant limits the abuse and neglect investigations to incidents occurring in facilities that receive Medicaid funds. However, because the overwhelming majority of facilities receive Medicaid funds, this is not a very meaningful limitation. Under this grant, the actual victim does not need to be a Medicaid recipient for the MFCU to have jurisdiction. The federal government has allowed the MFCU to broadly construe "abuse and neglect" to include such things as thefts of patient funds and drug diversions.

Three-County Investigation

Recently, an agent in the MFCU conducted an interesting investigation that involved three nursing homes and a home health agency in three counties in Southern Illinois: Clay, Richland, and Lawrence Counties. The investigation began when the case agent received a referral from the Illinois Department of Professional Regulation (IDPR). The IDPR had received an allegation that a registered nurse (the defendant) had diverted vicodin (hydrocodone) from long term care residents at the first facility which was located in Clay County. IDPR also gave the MFCU information obtained in another unresolved allegation that the defendant had diverted medications from residents of the second facility, which was located in Richland County.

When the case agent contacted the first facility, he learned the administrator and director of nursing (DON) suspected the defendant had been diverting drugs. The family of a private pay resident had questioned the number of pain medicines on the nursing home bill. The agent checked drug records with the facility's pharmacy and learned the facility had received several deliveries of hydrocodone for which both the drugs and the accompanying delivery receipt had disappeared. The defendant had signed for delivery for most of the missing medications. The total

number of pills missing from pharmacy deliveries was 330 hydrocodone and 60 darvocet (propoxyphene) over a 34-day period.

The first facility contacted an IDPR investigator who advised the facility to perform drug screens on any residents for which the facility was charting and administering hydrocodone. Within days, the DON discovered a bottle belonging to the defendant that contained an unknown liquid in the medicine storage room's refrigerator. Acting on the IDPR investigator's instructions, the IDPR seized the bottle.

When the case agent reviewed the patient's medical files, he learned the defendant had apparently instigated many hydrocodone prescriptions. A resident's drug screen failed to show the presence of hydrocodone for which the defendant had charted that she had administered the medication. Consequently, the first facility terminated the defendant. Officials at the first facility told the case agent that the defendant was also working for a home health agency as a home visiting nurse.

The case agent contacted the home health agency and learned it also recently terminated her. Two home health agency patients had complained that hydrocodone and propoxyphene were missing from their homes after the defendant had made home visits. The home health agency later discovered hydrocodone missing from another resident's home that the defendant had visited. The case agent interviewed the home health agency patients and obtained more details about the missing drugs.

Then a local police chief contacted the case agent to request assistance in investigating the disappearance of patients' medications from a third facility, located in Lawrence County.

The chief stated the missing drug was hydrocodone. The case agent learned that the defendant had just started working at the third facility. The fact that the third facility still employed the defendant allowed MFCU agents to move to a proactive mode.

Undercover Operation

The case agent met with the administrators of the third facility and its pharmacist. They agreed to cooperate with MFCU agents in an undercover sting operation designed to catch the defendant in the act of diverting a resident's medication. The consulting pharmacist agreed to provide the props for the undercover operation.

As the case agent and others formulated the plan, they decided that an undercover MFCU agent would pose as the pharmacy's driver. The package the driver would deliver would contain two 30-count blister packs of hydrocodone as a prescription refill. However, the packing slip would reflect only one blister pack, so it would appear that the pharmacy had mistakenly double-filled the prescription (not an uncommon occurrence).

Surveillance by MFCU agents would determine whether the defendant placed the drugs in her vehicle. The facility's DON would be the nurse who would relieve the defendant and conduct the medications count with her. Once the defendant had left the facility, the DON would contact the agents on a cell phone to inform them if drugs were missing. They assigned an agent the undercover role of a delivery driver. They assigned another agent to help with surveillance, arrest, and questioning. They assigned the local chief to help with the arrest of the defendant and the search, inventory, and impoundment of her vehicle.

They decided to stage the controlled delivery when the defendant was working the evening shift. Since the facility had already questioned all its staff nurses about the missing drugs reported to the local

police, the case agent requested that the local police say they believed they had resolved the discrepancy as a bookkeeping error.

The local state's attorney was contacted about the operation and the case agent's desire to obtain a search warrant for the defendant's vehicle and person to protect any evidence found. The state's attorney agreed that a search warrant would be one best option and that he would be available on the evening of the undercover operation. They staged the operation at the local police department, and all officers verifying the delivery package's contents before the shipping seals were placed on the package.

Surveillance began and the undercover agent made the delivery. The case agent and the surveillance agent observed the defendant leave the building shortly afterwards; she spent about a minute in her car and then returned to the building. Subsequently, the DON arrived and shortly thereafter she called the agents and notified them that the defendant had reported receiving only one blister pack of hydrocodone. The DON had checked the medicine storage area, and the second blister pack was no longer in the building.

Arrest of Defendant

Based on this probable cause, MFCU agents and the police chief arrested the defendant as she walked to her vehicle. They charged her with unlawful acquisition of a controlled substance and theft. The case agent met the local state's attorney with the affidavit for a search warrant of the defendant's vehicle and person. The resident circuit judge signed the search warrant at his home. They searched the defendant's vehicle, and the hydrocodone blister pack with 22 tablets remaining was found under the front seat of her car.

They interrogated the defendant for nearly three hours. She admitted that she took hydrocodone from all three facilities. She admitted that she took hydrocodone and another drug from the home health agency. They subsequently charged the defendant with unlawful possession of a controlled substance and theft in all three counties.

Disposition

The defendant entered a negotiated plea of guilty in the first county and received a sentence of 24-months' probation and a \$1,000 fine. She entered a negotiated plea of guilty in the second county and received a sentence of 24-months' probation, the successful completion of a drug rehabilitation program, and a \$500 fine. The defendant entered a negotiated plea of guilty in the third county and received a sentence of 24-months' probation, the successful completion of a drug rehabilitation program, and a \$500 fine. IDPR indefinitely suspended the defendant's nursing license.

Additional Information

The MFCU has agents experienced at investigating cases in nursing homes and other health facilities. It is interested in partnering with other agencies to work various types of cases involving healthcare fraud, drug diversions, and abuse and neglect of residents in health care facilities. Please feel free to contact 1-888-557-9503 (toll-free) to request MFCU assistance.



ACE WORKING FOR RURAL DEVELOPMENT, U.S. DEPARTMENT OF AGRICULTURE

By Barry Ramsey Rural Housing Program Director Department of Agriculture

In two recent cases, the U.S. Department of Agriculture (USDA) has recovered substantial funds as a result of the false claims made by its customers.

As an example, a multi-family apartment developer received subsidized financing from USDA's Rural Development to build and manage low-income rental housing in 1984. Tenant household incomes were verified and provided to USDA in exchange for rental subsidies. The USDA's servicing review revealed that the owner was falsifying tenant information in order to collect a portion of the rent from the USDA, plus charge the tenant an additional sum. USDA's Inspector General investigated the case and referred it to the Department of Justice. The defendant lost his ownership interest in the apartments, was indicted, pled guilty, was ordered to pay a \$10,000 fine and \$25,000 in restitution, and was sentenced to three years probation. (U.S. vs. Joseph Jeremiah McNamara, No. 97-20055)

In another case, a single family homeowner received a subsidized mortgage loan from USDA's Rural Development in 1991. Each year, the customer verified the total household income with USDA and received an

interest rate subsidy to make the mortgage more affordable. In 2001, the customer's brother applied for a USDA loan and listed his sister's residence as his own (she even provided a landlord reference for him). With this information and the brother's employment verification, USDA knew that it had falsified her subsidy renewals. USDA's Inspector General investigated the case and referred it to the Department of Justice. The defendant pled guilty, was ordered to pay nearly \$10,000 in restitution, and was sentenced to five years probation. (U.S. vs. Tina Fitzsimmons, No. 02-10024)



CORPORATE INTEGRITY AGREEMENTS

OIG-HHS's Compliance Agreements In Health Care Fraud Cases

The U.S. Department of Health and Human Services contains an Office of Inspector General (OIG). The OIG often negotiates corporate integrity agreements (CIA) with health care providers and other entities as part of the settlement of federal health care program investigations arising under a variety of civil false claims statutes.

A provider or entity consents to these agreements as part of the civil settlement and in exchange for the OIG's agreement not to seek an exclusion of that health care provider or entity from participation in Medicare, Medicaid, and other federal health care programs. False claims submitted in violation of the False Claims Act or civil monetary penalties law give rise to the OIG's permissive exclusion authority under 42 U.S.C. §1320a-7(b)(7). Providers who settle these cases often deny that they were liable or that they committed the alleged conduct.

The typical term of a CIA is five years (three years for national project cases). These compliance measures seek to ensure the integrity of federal health care program claims submitted by the provider. The more comprehensive integrity agreements include requirements to:

- (1) hire a compliance officer or appoint a compliance committee;
- (2) develop written standards and policies;
- (3) implement a comprehensive employee training program;
- (4) review claims submitted to federal health care programs;
- (5) establish a confidential disclosure program;
- (6) restrict employment of ineligible persons; and
- (7) submit a variety of reports to the OIG.

While many CIAs have common elements, each agreement addresses, in part, the specific facts of the conduct at issue and is tailored to comport with the existing capabilities of the provider. The integrity agreements often attempt to accommodate and recognize many of the elements of pre-existing voluntary compliance programs.

To view the list of health care providers and entities currently subject to CIAs and settlement agreements with integrity provisions, click here. To view the full text of an active CIA, simply double click on the name of the entity listed in the CIA list.

Please note that settlement agreements with integrity provisions are not electronically available through this web site. Rather, copies of such settlement agreements may be obtained through filing a Freedom of Information Act

(FOIA) request with the Department of Justice. Information on filing FOIA requests with the Department of Justice may be obtained through its web site, found at http://www.usdoj.gov/ by selecting the FOIA section. This FOIA request should be as specific as possible.



THE UNITED STATES TRUSTEE PROGRAM: THE WHO, WHAT, WHEN, WHERE, AND WHY

By Nancy J. Gargula United States Trustee, Region 10

My fifteen year old daughter, impressed by my investiture ceremony, innocently asked me when no one else could hear, "Are you now one of those in line to succeed to the Presidency of the United States should something happen to our President, Mom?" I had to chuckle to myself as I thought about her question and then burst her bubble by saying, "No." Rather crest-fallen, she listened respectfully as I tried to explain what I did. Since that first month in office, I have spent a lot of time explaining what I do to a lot of people, as well as explaining what the United States Trustee program does, and when and why we get involved in cases. The good work of our program and our employees is not widely known outside of the bankruptcy arena. With the distribution of this newsletter, I hope to spread the message further.

U.S. Trustee Program Who, What, and Where

The United States Trustee program is a component of the Department of Justice charged

with over-seeing the administration of all bankruptcy cases, private bankruptcy trustees, and intervening in court to enforce the U.S. Bankruptcy Code. Our mission is to promote the efficiency and preserve the integrity of the bankruptcy system and protect against fraud and abuse in the system.

Specifically, the United States Trustee Program acts in the public interest in furtherance of our mission. It works to secure the just, speedy, and economical resolution of bankruptcy cases. The United States Trustee program monitors the conduct of the parties and takes action to ensure compliance with applicable laws and procedures. We investigate bankruptcy fraud and abuse. And the program oversees the administrative functions in bankruptcy cases to promote and defend the integrity of the federal bankruptcy system.

The United States Trustee Program's Executive Office is located in Washington, D.C. Our Director, Lawrence A. Friedman, was appointed by Attorney General John Ashcroft. The Executive Office in Washington, D.C., provides comprehensive policy and management direction to the United States Trustees and their staff. The Executive Office also provides administrative support and central coordination to the regional and field offices.

Approximately 1,000 lawyers, bankruptcy analysts, paralegals, and administrative support personnel work in the program. Program attorneys appear in court in over 150 locations and conduct or oversee administrative hearings in about 280 other sites.

The program's organizational structure is unique within the Department of Justice. The country is divided into 21 regions which are defined by statute. 28 U.S.C. § 581(a). The

regions encompass all states except Alabama and North Carolina and include Puerto Rico, Guam, and the Virgin Islands. Each region has a United States Trustee who is also appointed by the Attorney General. The work of the United States Trustee Program is conducted by 95 field offices that are supervised by the 21 United States Trustees. Each of the 95 field offices is managed by an Assistant United States Trustee.

The regions generally correspond to federal judicial districts, but not to judicial circuits. There is wide disparity among the regions in geographic size. For example, Region 18 encompasses a five-state area (Alaska, Idaho, Montana, Oregon, and Washington), while Region 14 consists of only one state (Arizona) and Region 16 covers just one judicial district within a state (the Central District of California).

Region 10 is comprised of the Northern and Southern Districts of Indiana and the Central and Southern Districts of Illinois. We have three field offices located in Peoria, South Bend, and Indianapolis. The Peoria field office, which is responsible for all bankruptcy cases filed in the Central and Southern Districts of Illinois, is managed by Assistant United States Trustee, James L. Magill. In addition, there are employees located in Indianapolis who are members of the regional staff where my office is located.

United States Trustees appoint and oversee private trustees who administer cases filed under chapters 7, 12, and 13 of the U.S. Bankruptcy Code. These trustees are fiduciaries for bankruptcy estates. It is the United States Trustee's duty to regulate and monitor the activities of these private trustees and to ensure their compliance with fiduciary standards. In Region 10, there are total of 86 individuals who currently serve as chapter 7 panel and chapter 13 standing trustees.

When and Why

So now that you know a bit more about "what" the United States Trustee does, "who" works for the United States Trustee, and "where" you will find our program employees, let's focus on "when" and "why" we will become involved in bankruptcy cases.

Upon his appointment by Attorney General Ashcroft, Director Friedman was given the mandate to preserve the integrity of the bankruptcy system and to ferret out abuse and fraud in the system, a mandate consistent with our program's mission. At the time, the program had launched a comprehensive effort to combat abuses of the bankruptcy system. Our National Civil Enforcement Initiative, which began in October 2001 to focus program resources more specifically upon combating fraud and abuse in the bankruptcy system, remains our program's number one initiative under Director Friedman's leadership.

Top priorities of the Civil Enforcement Initiative are to: (1) civilly prosecute debtors who commit fraud or abuse the bankruptcy system; and (2) protect consumer debtors, creditors, and others who are victimized by those who mislead or misinform debtors, make false representations in connection with a bankruptcy case, or otherwise abuse the bankruptcy process.

Each of the 95 field offices has a Civil Enforcement Action Plan that is aimed at addressing problems and abuses in their locations through remedies available under §§ 110, 329, 707(b), and 727, among others, of the U.S. Bankruptcy Code. Typical civil enforcement actions include filing motions to

dismiss abusive filings, to deny discharges sought by dishonest debtors, to curb unfair practices by attorneys and creditors, and to sanction unscrupulous bankruptcy petition preparers who do not follow the code.

By way of illustrating its impact, there was an estimated 15,000-16,000 civil enforcement actions taken during the first five months of the initiative. At the conclusion of the first year, it was estimated that approximately \$100 million additional dollars became available for the payment of creditors' claims as a result of debts not being discharged, obligations being paid to some extent through a chapter 13 plan instead of being discharged and the out-right dismissal of bankruptcy cases with a bar to refiling those cases. Our civil enforcement actions also resulted in the disgorgement of over \$1.3 million in attorney fees in bankruptcy cases and the issuance of more than 160 injunctions against non-lawyer bankruptcy petition preparers.

In the first six months of Fiscal Year 2003 (the second year of the initiative), United States Trustees initiated approximately 17,750 informal inquiries and formal civil enforcement actions pursuant to §§ 707(b), 727, 110, and 329 that resulted in a potential benefit to creditors of more than \$224 million comprised of unsecured debts not discharged in chapter 7, fines imposed, petition preparer fees recovered, and attorney fees disgorged. During that same six-month period, United States Trustees initiated more then 32,000 informal inquiries and formal civil enforcement and related actions that resulted in an overall potential benefit to creditors in excess of \$246 million.

Examples of civil enforcement actions taken by the Region 10 Peoria field office include:

• Obtaining the denial of the discharge in a joint chapter 7 case where the debtor husband used a false social security number

- on his petition. During a 2004 examination, he testified that he thought the way to acquire a social security number was to purchase it from a stranger, at night, on the street for \$75.
- Filing a Motion to Dismiss for substantial abuse in a case where the debtors sought to discharge \$60,000 in credit card debt while continuing to pay over \$1,000 per month for a 2001 GMC Yukon (purchased eight months before filing) and a 2002 GMC Sonoma (purchased six months before filing). Additional discovery revealed that the husband was making significant 401(k) contributions and repaying a loan against his retirement plan, neither of which were disclosed in the original schedules. The debtors converted to chapter 13 (where they will make payments to their creditors under a plan instead of having those obligations discharged) just before the hearing on the United States Trustee's Motion to Dismiss pursuant to § 707(b).
- Taking action to prevent a debtor who was attempting to make his desired early retirement a priority over paying back his creditors, from using the bankruptcy system to achieve that objective. The debtor had divorced 1 ½ years prior to filing his bankruptcy petition, had no dependents and had worked 37 years at Caterpillar, Inc. At age 57, the debtor decided to file bankruptcy on \$39,000 worth of unsecured debt in anticipation of retiring in the next 18 months. The debtor's gross income for 2002 was \$57,000. He had the ability to repay 100% of his debt in 32 months. In granting the U.S. Trustee's § 707(b) motion, the court agreed with our

arguments: (1) that many people have to postpone retirement because they have too much debt and simply cannot afford to retire; (2) that Congress did not intend for bankruptcy to be used as a retirement planning device; and (3) that this debtor did not file bankruptcy because he could not afford to pay his debts, but because he simply chose not to repay them.

- Filing a § 727 complaint where the debtor failed to list a personal injury lawsuit, subsequently settled it, and spent the recovery. As a result, the debtor and the chapter 7 panel trustee entered into an agreement where the debtor is to make monthly payments to the chapter 7 panel trustee for the benefit of creditors. The debtor's personal injury counsel agreed to disgorge his fee.
- Filing motions to dismiss for bad faith and substantial abuse due to debtor's transfer of virtually all of his assets to his wife more than five years prior to the filing of the bankruptcy petition. The non-priority unsecured debts totaled \$16,027 and unsecured priority debt totaled \$1,046,421 owed to the IRS for the tax years 1990 through 1998 and 2000. Gross monthly income was \$12,332 with a net of \$7,700. The debtor claimed expenses of \$9,893 which was the main focus of the United States Trustee's argument. The debtor's expenses included a \$1,400 mortgage and \$800 property tax payment on a house the debtor did not own as well as a variety of expenses on a second "lake house" which was owned free and clear by the debtor's wife. The debtor also listed expenses of \$500 per month for each of his two children, ages 24 and 28. The court did not make itemized findings but ruled from the bench that a debtor able to contribute thousands of

- dollars every month to a chapter 11 or chapter 13 plan was not entitled to chapter 7 relief.
- Filing a motion seeking to bar an attorney from filing any new bankruptcy cases because he: failed to return client calls; delayed in filing bankruptcy cases for his clients causing a loss of assets to foreclosures and wage garnishments; failing to hold clients' filing fees in trust causing dismissal of his clients' bankruptcy cases; failing to actually meet with or counsel his clients in any fashion; failing to review the actual bankruptcy documents with his clients; filing false statements with the court; and failing to represent his clients at the First Meeting of Creditors in their bankruptcy proceedings, among many others deficiencies. This attorney is the subject of a complaint filed with the Illinois Attorney Registration and Disciplinary Commission as well.

The foregoing, of course, only represents a sampling of the circumstances under which the United States Trustee, Region 10 Peoria field office has taken action consistent with our Civil Enforcement Initiative.

Criminal Referrals to USAOs

In addition to our efforts in civil enforcement, the United States Trustee Program is also directed by federal law to refer criminal activity to the U.S. Attorneys and other law enforcement agencies and to assist in prosecuting criminal violations of the bankruptcy laws. Just like civil fraud and abuse, criminal bankruptcy fraud undermines the integrity of the bankruptcy system as well as public confidence in that system. Experience shows that bankruptcy fraud often is linked to

other crimes, such as credit card fraud, tax fraud, identity fraud, federal benefits fraud, and money laundering. In addition, the bankruptcy system is susceptible to fraud perpetrated by those who prey upon unsophisticated consumers in deep financial distress.

The United States Trustee's role in criminal enforcement is multi-faceted. In July 2003, Peter Ainsworth was appointed Chief of the Program's Criminal Enforcement Unit. Under Chief Ainsworth's leadership, the Criminal Enforcement Unit is designing and managing a national program to increase the detection and prosecution of fraud and other criminal conduct within the bankruptcy system, coordinate with the U.S. Attorneys in the referral, development and prosecution of cases, and work closely with other federal investigative and law enforcement agencies. The Criminal Enforcement Unit is also involved in conducting various training and outreach programs throughout the country where it teaches law enforcement personnel and others how to recognize and pursue cases of potential criminal bankruptcy fraud.

Those who serve in Region 10 have had the benefit of the wealth of experience and prosecutorial expertise which the United States Trustee Program's Criminal Enforcement Unit Team brings to the program. Chief Ainsworth, Acting Deputy Chief Sandra Rasnak, Regional Criminal Coordinators Sandy Klein, Celeste Miller, and Bob Calo, as well as Region 10 Criminal Coordinator Joe McGonigal, all made presentations during the Region 10 Bankruptcy Fraud Training Program which was held using video conference technology on September 17, 2003. In addition to this region-wide training program, we have four very active Bankruptcy Fraud Working Groups, one in each of the four federal districts, whose efforts assist in addressing the criminal activities of those who abuse the bankruptcy system and commit bankruptcy fraud. We are well positioned in Region 10 to do our part to enforce the bankruptcy laws and seek redress where necessary.

As noted by Attorney General John Ashcroft in the *United States Trustee Program* Annual Report of Significant Accomplishments Fiscal Year 2002, "Too often, our bankruptcy system is used as a vehicle to perpetuate a myriad of fraudulent schemes, including tax fraud, health care fraud, federally-insured mortgage fraud, credit card fraud, identity theft, and other crimes. Combating this fraud and abuse is the first priority of the United States Trustee program. I commend the program for vigorously implementing the national civil enforcement initiative. Through this initiative, the program not only promotes the integrity of the bankruptcy system for honest debtors and creditors alike, but also helps uncover criminal schemes and enterprises."

While our work may not elevate us to the line of succession should anything happen to the President of the United States (much to the dismay of my daughter who would like the title of "First Daughter"), the United States Trustee program is making a significant difference in preserving the integrity of the bankruptcy system for the benefit of debtors and creditors alike. Thank you, United States Attorney Ronald J. Tenpas, for this opportunity to spread our program's message a little farther.



Suggestions Welcome

If you have any article, submissions,

suggestions, or information for this newsletter, please contact ACE coordinator and Assistant United States Attorney Gerald M. Burke at (618) 628-3700 or at Gerald.Burke@usdoj.gov.

